

ID: CCA_2014050512111710

UILC: 6044.01-00

Number: **201420019**

Release Date: 5/16/2014

From: [REDACTED]

Sent: Monday, May 05, 2014 12:11:17

To: [REDACTED]

Cc: [REDACTED]

Bcc:

Subject: Section 6044 reporting question

You requested our thoughts on how to respond when a Form 3491, Consumer Cooperative Exemption Application, lists a principal activity of the organization that appears inconsistent with a requirement for exemption, because the listed activity doesn't involve retail sales.

Section 6044(c) provides the exemption from reporting requirements following application but only for a cooperative that the Secretary determines is primarily engaged in selling at retail goods or services of a type that are generally for personal, living, or family use.

Section 1.6044-4(a)(2) provides that for a cooperative to qualify for the exemption, 85% of its gross receipts must have been derived from the retail sale of such goods or services.

Where the principal activity listed on the application does not appear to incorporate any retail sales at all, that brings into question an assertion on the application that 85% or more of the corporation's receipts were retail sales of the requisite goods and services.

[REDACTED]

[REDACTED]

[REDACTED]

Please let us know if you have further questions.

Thanks,